



## State of Utah

### Department of Natural Resources

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas & Mining

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

February 21, 2007

Dennis Stowell  
Silica Sand Company, Inc.  
285 West 200 North  
P.O. Box 796  
Parowan, Utah 84761

Subject: Reclamation Surety and Reclamation Contract, Silica Sand Company, Inc., S/021/018, Iron County, Utah

Dear Mr. Stowell:

On February 14, 2007, the Director of the Division of Oil, Gas and Mining signed the reclamation contract for the White Sands Project Notice of Intention to Conduct Mining, file number S/021/018. A copy of the executed reclamation contract/surety is enclosed for your records. Thank you for providing it. This action has made it possible for your existing reclamation surety to be in place with the Division, however you should note that there are deficiencies either in your Notice of Intent or in your surety/bond amount that need to be rectified.

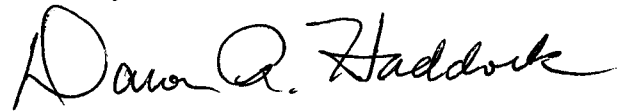
Right now the amount of surety/bond that is currently posted does not correspond with the information in your NOI. Based on the information in the NOI the Division has determined that you must post a surety in the amount of \$ 18,600. (Remember that if your NOI indicates that you will disturb an area less than 5 acres, we must assume that you may disturb an area up to 5 acres and we will calculate a bond accordingly. At the present time the average cost estimate for the first acre is \$5400 with \$3300 for each additional acre, which amounts to \$18,600 for a five-acre site.)

If your Notice of Intent is not specific as to the area planned for disturbance, you may wish to amend the notice to more accurately reflect your plans. At such time as we receive and review an amended NOI we will determine an appropriate reclamation cost based on the new information and notify you of any changes needed to your surety/bond. If you choose not to amend your NOI we will expect the above stated amount to be filed with the Division within 30 days.

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Mr. Dennis Stowell  
S/021/018  
February 21, 2007

If you have questions or concerns regarding this letter, please contact me at (801) 538-5325 or Beth Ericksen at 538-5318. Thank you for your help in completing this very important regulatory requirement.

Sincerely,

A handwritten signature in black ink that reads "Daron R. Haddock". The signature is fluid and cursive, with the first name "Daron" being more prominent than the last name "Haddock".

Daron R. Haddock  
Permit Supervisor  
Minerals Regulatory Program

DRH:pb  
Enclosure: Copy of reclamation contract/surety  
cc: Beth Ericksen  
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